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FM AMEMBASSY LA PAZ
TO RUEHC/SECSTATE WASHDC 9876
INFO RUEHAC/AMEMBASSY ASUNCION 5986
RUEHBO/AMEMBASSY BOGOTA 3304
RUEHBR/AMEMBASSY BRASILIA 7153
RUEHBU/AMEMBASSY BUENOS AIRES 4410
RUEHCV/AMEMBASSY CARACAS 1693
RUEHPE/AMEMBASSY LIMA 1699
RUEHME/AMEMBASSY MEXICO 1748
RUEHMN/AMEMBASSY MONTEVIDEO 3907
RUEHQT/AMEMBASSY QUITO 4324
RUEHSG/AMEMBASSY SANTIAGO 8881
RUEHC/DEPT OF LABOR WASHINGTON DC
RUCPDO/DEPT OF COMMERCE WASHINGTON DC
RUEATRS/DEPT OF TREASURY WASHINGTON DC
RHEHNSC/NSC WASHINGTON DC

UNCLAS LA PAZ 001859

SIPDIS

SENSITIVE
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STATE FOR WHA/AND LPETRONI
COMMERCE FOR JANGLIN
TREASURY FOR SGOOCH

E.O. 12958: N/A
TAGS: [ELAB](#) [PREL](#) [PGOV](#) [SOCI](#) [BL](#)
SUBJECT: SANTA CRUZ LABOR DISPUTE PROMPTS GOB INTERVENTION

REF: LA PAZ 1808

¶1. (SBU) Summary: July 3 clashes between feuding branches of Santa Cruz' Departmental Labor Confederation prompted the GOB to dismiss the department's police chief and install military guards at key administrative buildings. Minister of Government Alicia Munoz accused the police chief of negligence and called labor groups "fascists," saying the GOB detected "destabilizing" interests in their actions. Santa Cruz leaders decried the GOB's actions and said patience was wearing thin, warning that they "would not permit more abuse from the racists in government." The GOB later withdrew the military guards, possibly in an effort to defuse the confrontation and avoid further inflaming public sentiment. The conflict suggests increasing tensions between the GOB and Santa Cruz-based opposition. End summary.

¶2. (U) On July 3, a dispute between factions of Santa Cruz' Departmental Labor Confederation (COD) erupted in violence when followers of Edwin Fernandez, a leader who enjoys support from Santa Cruz business organizations, took control of COD offices to wrest control from Movement Toward Socialism (MAS)-affiliated Lucio Vedia. The latter attempted to regain control, but members of the Santa Cruz Civic Committee's youth organization intervened. Ensuing clashes reportedly left 20 to 30 people (including women and elderly bystanders) injured.

¶3. (U) In response, the GOB dismissed Department Police Chief Wilfred Torrico, citing his failure to prevent conflict, and installed military guards at key administrative buildings (including tax and customs offices) and at Santa Cruz' train and bus station. Minister of Government Alicia Munoz accused the police chief of negligence and called labor groups and youth leaders "fascists," saying the GOB detected "destabilizing" interests in their actions. GOB officials later claimed they installed the military guards because they had information indicating several unnamed groups planned to attack administrative buildings. The GOB withdrew the troops July 6, possibly in an effort to defuse the confrontation and

avoid further inflaming public sentiment.

¶4. (U) Santa Cruz leaders decried the GOB's actions. Santa Cruz Prefect Ruben Costas objected to the GOB's interference in regional affairs and accused the GOB of hardening its positions after citizens voted for greater autonomy July 2 (reftel). Pro-Santa Cruz Committee President German Antelo declared that patience was wearing thin, warning that department leaders "would not permit more abuse from the racists in government" and urging the GOB to leave aside its "dictatorial and unconstitutional attitudes."

¶5. (SBU) Comment: The conflict and accompanying rhetoric suggest increasing tensions between the GOB and Santa Cruz-based opposition. Many observers believe the GOB used the clash as an excuse to replace opposition leaders with pro-MAS individuals, and some fear this could be part of a broader GOB campaign to assume control of key groups, cement its authority, and stifle dissent. End comment.
GREENLEE